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Completion of First Tranche of Taiwan 2010 SBS Rice CSQ Tenders

Report Categories:

Grain and Feed

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Report Highlights:

On February 11, Taiwan successfully awarded tenders for 6,500 tons of the unfilled and globalized Australian Country Specific Quota (CSQ). This concludes the first tranche of the 2010 Simultaneous-Buy-Sell (SBS) rice tenders for delivery by the end of December 2010. Bidding was active for all tenders under the first tranche of 16,500 tons of rice CSQ comprised of U.S., Thai, and Australian rice. This was attributable to a 5-percent reduction in planting area for Taiwan's 2010 first rice crop, down from 151,000 hectares of harvested area for the 2009 first crop.

The first tranche of 6,000 tons of the 2010 SBS U.S. rice CSQ was successfully completed at the first tender held on the December 29, 2009.

Taiwan also announced on February 11 a tender for 8,050 tons of U.S.-origin short/medium grain brown rice to be held on March 2. This new tender would partially fill the incomplete 11,500 tons of the 2008 U.S. CSQ under traditional tender that was previously specified for import of U.S. long-grain rice.

General Information:

Summary

On February 11, Taiwan concluded the remainder of the first tranche of the 2010 Simultaneous-Buy-Sell (SBS) quota tenders after it awarded 6,500 tons of unfilled Australian Country Specific Quota (CSQ) on a global quota basis. Of this 6,500 tons, 4,800 tons was awarded at NT\$7.609/kg and 1,700 tons was awarded at NT\$7.175/kg to eight bidders among twenty-seven who participated in the bid. The Australian rice CSQ was globalized because of short supply, with no bidders participating in the three tenders scheduled on December 29, 2009 and January 7 and 19, 2010, respectively.

The first tranche of 6,000 tons of the 2010 SBS U.S. rice CSQ and 4,000 tons of Thai rice CSQ was successfully completed at the first tender held on December 29, 2009. Of the 6,000 tons of U.S. rice CSQ, 3,000 tons was awarded to two bidders at NT\$2.188/kg and 3,000 tons was awarded to another two bidders at NT\$2.011/kg, while the 4,000 tons of Thai rice CSQ was awarded to five bidders -- 1,490 tons at NT\$8.000/kg while the remaining tonnage was awarded at NT\$6.860/kg. Fifteen bidders participated in the U.S. CSQ tender and twenty-five participated in Thai CSQ bid.

Bidding competition was fierce for the first tranche of 16,500 tons of rice CSQ. This was attributable to 5 percent less planting areas for the 2010 first rice crop, down from the 151,000 hectares of 2009 first crop harvest area.

February 11 Tender Announcement

GF4-970-302 for 8,050 tons U.S.-origin short/medium grain brown rice:

The tender is for scheduled on March 2 for delivery by May 31, 2010.

This new tender would partially fill the incomplete 11,500 tons of the 2008 U.S. CSQ under traditional tender that was previously specified for import of U.S. long-grain rice. Taiwan proposed that the remaining 3,450 tons from the incomplete 2008 U.S. CSQ tender would be for U.S.-origin short grain glutinous milled rice and is expected to be announced shortly.

Table 1 – Taiwan's 2010 Country-Specific Quota (CSQ) for Public Sector Imports (2/25/2010 update)

Country	SBS System	Traditional Tender System	Total
Egypt	2,500	0	2,500
Thailand	6,000	2,300*	8,300
Australia	12,500	6,134	18,634
USA	9,200	55,434	64,634

2009 Total	30,200	63,868	94,068
<p>SBS Tender:</p> <p>Taiwan has completed the first tranche of 16,500 tons of SBS tenders by 2/11/2010 for importation by 12/31/2009, and the second tranche of 13,700 tons of SBS tenders, comprised of U.S. 3,200 tons, Thai 2,000 tons, Egypt 2,500 tons, and Australian 6,000 tons, are anticipated to be held on 03/23/2010 for importation by 04/30/2011. (* Taiwan adjusted the Thai 2010 rice CSQ tenders by moving 2,300 tons of the previously proposed SBS tender to under traditional tender.)</p> <p>Traditional Tender:</p> <p>A total of 55,434 tons of U.S. rice CSQ will be divided into three tenders. The proposed first and second tenders of 20,000 tons each will be scheduled in March 2010 for June delivery, and the third tender for 15,434 tons will be scheduled in May for delivery by the end of 2010.</p> <p>The 6,300 tons of Australia CSQ is anticipated to be tendered at the same time as the first U.S. tender, while the 2,300 tons of Thai CSQ is possible to be tendered with the third U.S. tender.</p>			